

Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 COME-00 EB-07 OMB-01 ABF-01 MMS-04

PER-03 /027 W

----- 040536

R 030845Z JUL 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 9060

INFO AMEMBASSY SINGAPORE

AMCONSUL MEDAN

AMCONSUL SURABAYA YTUI

UNCLAS JAKARTA 8083

E.O. 11652: N/A

TAGS: AFSP, ID

SUBJECT: FY-77 COMMERCIAL BUDGET REQUEST

REF: (A) STATE 150818 (NOTAL); (B) STATE 125450 (NOTAL);

(C) JAKARTA A-98 OF JUNE 19, 1975

SUMMARY: EMBASSY SUBMITS REQUESTED FY-77 COMMERCIAL BUDGET FIGURES WITH SUPPORTING DATA. IN ORDER SHIFT TO INCREASED LEVEL PROACTIVE MAJOR PROJECTS EFFORTS WHILE SIMULTANEOUSLY MEETING EXPECTED RISING DEMAND FOR ROUTINE COMMERCIAL SERVICES, EMBASSY REQUESTS FUNDING AT FY-76 BUDGET REQUEST LEVEL LLUS COST LIVING INCREASE AND ADDITIONAL \$3500 TO CONTRACT OUT MAJOR INVESTMENT REPORT. END SUMMARY

1. LISTED BELOW ARE ESTIMATED POST RESOURCE REQUIREMENTS IN FY-77 FOR COMMERCIAL ACTIVITIES IN CATEGORIES SPECIFIED REF (B). THESE ESTIMATES ASSUME CREATION IN FY-76 OF REGULAR FSL INVESTMENT POSITION REQUESTED REF (C); SHOULD SUCH POSITION NOT RPT NOT BE ADDED IN FY-76 BUDGET, THEN ADDITIONAL \$6414 IN FY-77 CONTRACT SERVICES FUNDS WILL BE REQUIRED OVER AND ABOVE FIGURES GIVEN BELOW:

FY-77 REQUIREMENTS

REPRESENTATION 4440

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LIBRARY 9600

TRAVEL	4200
CONTRACT SERVICES	
MARKET RES.	20,800
WTDR	6))0
INGEST. REPT.	3500
PRINTING	4800
NEWSLETTER	6000

2. FOLLOWING ARE RELEVANT EMBASSY WORKLOAD STATISTICS FOR THOSE ITEMS EASILY QUANTIFIABLE IN FY-74 AND FY-75 WITH PROJECTIONS FOR FY-76 AND FY-77:

	FY-74	FY-75	FY-76	FY-77
WTDRS	241	142	156	179
ADSE	69	48	53	61
TENDERS	49	33	36	41
TRADE INQUIRIES	687	625	687	790
BUS. VISITORS	3000	2330	2560	2947
COMM. LIBRARY VISITORS	2000	2400	2640	3036
TELEPHONE INQUIRIES	10000	9000	10000	11500
CERP	27	24	24	24
PTOS	7	20	30	45
MKT RESEARCH IN HOUSE	2	6	6	6
MKT RESEARCH CONTRACTS	0	2	6	6
FTI	0	700	500	500
MAJOR COMMERCIAL				
CAMPAIGNS OR VISITS	3	5	6	7

PLUS 3 AWARDED, WORK STILL UNDERWAY

3. DOWNTURN IN WORLD ECONOMY AND INTERNAL INDONESIAN POLITICAL AND FINANCIAL DIFFICULTIES, COUPLED WITH FEE INCREASE FOR WTDR AND ADS, ACCOUNT FOR MODERATE DECLINES IN SOME ABOVE CATEGORIES DURING FY-75. THIS EASING OF POSTS HEAVY REPETITIVE/REACTIVE WORKLOAD IN FY-75 PERMITTED SHIFTING OF RESOURCES TO INITIATIVES DESIGNED FULFILL HIGH PRIORITY CCP OBJECTIVE BUILT AROUND MAJOR PROJECTS STRATEGY. HOWEVER, AS WORLD ECONOMY RECOVERS, INDONESIA RESOLVES INTERNAL PROBLEMS, AND EFFECTS OF USDOC FEE INCREASES WEAR OFF, POST ANTICIPATES SHARP RESUMPTION OF BUSINESS INTEREST AND DEMAND FOR EMBASSY BASIC COMMERCIAL SERVICES. ABOVE FIGURES UNCLASSIFIED

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THEREFORE REFLECT CONSERVATIVELY ESTIMATED GROWTH RATE IN DEMAND FOR ROUTINE SERVICES OF 10 PERCENT IN FY-76 AND 15 PERCENT IN FY-77.

4. SUCH PROJECTIONS DEMONSTRATE THAT BY FY-77 POST REACTIVE REPETITIVE SERVICES WORKLOAD WILL HAVE CLIMBED BACK TO, OR EXCEEDED, HEAVY FY-74 LEVELS. MEANWHILE IN ORDER EXPLOIT OPPORTUNITIES (DESCRIBED REF (C) AND

FY-76 CCP) OFFERED BY PROGRAMMED EXPANSION INDONESIAN ECONOMY AND TO COUNTER PETRODOLLAR GENERATED BILLION DOLLAR U.S. TRADE DEFICIT WITH INDONESIA, IT IMPERATIVE THAT POST MAINTAIN AND EXPAND ITS FY-75 PROACTIVE CCP INITIATIVES IN MAJOR PROJECTS ACTIVITIES, MARKET RESEARCH, INCREASED PTO SUBMISSIONS, AND FTI DOCUMENTATION. THEREFORE IN ORDER HANDLE BOTH INCREASED LEVEL REACTIVE/REPETITIVE SERVICES AND HIGH PRIORITY CCP PROACTIVE EFFORTS, IT CLEAR POST WILL REQUIRE ADDITIONAL RESOURCES. THUS EMBASSY FY-76 BUDGET SUBMISSION (REF C) INCLUDED JUSTIFICATION FOR: CONVERSION OF ONE FSL PROFESSIONAL POSITION FROM CONTRACT BASIS TO REGULAR STATUS, ADDITIONAL MARKET RESEARCH FUNDS, AND CONTRACTING OUT OF WTDR WORKLOAD.

5. RESOURCES REQUESTED FY-76 BUDGET (REF C), PLUS MANDATORY COST-OF-LIVING INCREASES ESTIMATED AT ROUGHLY 20 PERCENT ANNUALLY, SHOULD BE SUFFICIENT MEET FY-77 WORKLOAD REQUIREMENTS WITH ONLY ONE ADDITION. POST PLANS DURING FY-76 UTILIZE NEWLY CREATED FSL POSITION TO COVER BOTH INVESTMENT WORK CURRENTLY CONTRACTED OUT AND SOME OF HIGH PRIORITY FY-76 CCP "DEFERRED" MAJOR PROJECTS ACTIVITIES (WHICH TOTALED OVER ONE FSL MAN YEAR DEFERRED.) HOWEVER, BY FY-77 POST PLANS SHIFT NEW FSL POSITION ENTIRELY TO MAJOR PROJECTS/SECTORAL ANALYSIS WORK AND THEREFORE REQUESTS ADDITIONAL \$3500 TO CONTRACT OUT INVESTMENT REPORT WORK WHICH THIS FSL POSITION WILL NO LONGER BE ABLE PERFORM. JUSTIFICATION FOLLOWS:

6. POST FORWARD PLANNING CALLS FOR SHIFT DURING FY-76 FROM SINGLE MAJOR PROJECTS OFFICER TO E/CM ORGANIZATIONAL SUB-UNIT CONSISTING OF SEVERAL E/CM OFFICERS WHO WILL HAVE SECTORAL AND OTHER RESPONSIBILITIES BUT WHO WILL UNCLASSIFIED

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ALSO DEVOTE SIGNIFICANT PORTION THEIR MANHOURS TO MAJOR PROJECTS AND OTHER CCP CAMPAIGNS. AS THIS CHANGE OCCURS IT CLEAR THAT CURRENT SINGLE FSL PROFESSIONAL COMMITTED

MAJOR PROJECT SUPPORT WILL BECOME INADEQUATE. CURRENT CONTRACT FSL INVESTMENT POSITION ONLY OTHER POSITION FREE FROM DAILY REACTIVE ROUTINE COMMERCIAL SERVICES WORKLOAD AND AVAILABLE TO COMMIT TO EXPANDED MAJOR PROJECTS ACTIVITIES. CONTRACT STATUS THIS POSITION HIGHLY UNDESIRABLE FOR TYPE OF INTENSE, FULL TIME, INTEGRAL ON-GOING INVOLVEMENT REQUIRED BUILD SECTORAL EXPERTISE AND OPERATIONAL EFFECTIVENESS NEEDED FOR MAJOR PROJECTS ACTION PROGRAMS. MOREOVER, BY FY-77 EXPANDED LEVEL SECTORAL/MAJOR PROJECTS UNDERTAKINGS WOULD NO LONGER PERMIT COVERAGE OF INVESTMENT ACTIVITY AS WELL.

7. SINCE POST INVESTMENT REPORT HIGHLY DESIRED BY BOTH
WASHINGTON END USERS AND LOCAL U.S. BUSINESS COMMUNITY,
POST REQUESTS \$3500 IN FY-77 BUDGET TO PRODUCE
THIS BASIC DOCUMENT ON CONTRACT BASIS.
NEWSOM

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